

## UNCLE SAM AND HIS MONEY

HOW HE MAKES, ISSUES, AND CANCELS HIS CURRENCY NOTES.

Mr. Maurice L. Muhleman, cashier of the Sub-Treasury, is an expert on Uncle Sam and his money matters. Mr. Muhleman has been the chief, next below the Assistant Treasurer, here in New York for years, and a SRS reporter asked him the other day for an interview as to all the wrinkles as to how our money is made, how much has been issued in a given time, and

"I observe an article going the rounds of the papers relative to the issue and redemption of Bank of England notes. The number of notes cancelled daily is given at 50,000, and it is regarded as quite a large figure. But Uncle Sam, in the management of his paper money, cancels a good many more notes daily. It is quite pro-

able that the number of notes destroyed daily has reached 200,000, since the average during 1893 was over 100,000, estimating 300 working days to the year. Our office here in New York alone has sent to Washington as high as 170,000 notes in one day. Of course these notes are replaced by a like or larger number, and so the issue department handles an equal volume of notes.

"During the fiscal year 1894 the number of

notes of all kinds issued amounted to over 50,000,000, of an aggregate value of \$441,000,000. To accomplish this tremendous issue of paper and its redemption when it has done its work among the people requires the labor of many hands and the exercise of great care. First the paper, like that of the Bank of England note, is of a special kind, and made only for the Government, at the mills of Crane & Co., Pittsfield, Mass. Only clean linen rags are used, and the distinctive fibre is put in as it is made.

For a while this fibre was not used, but it was found advisable to have it restored. A Government representative is stationed at the mill, and sees that no paper of this kind is made except for the uses to which it is put, and, of course, full supervision. The paper is turned out in sheets of a size to permit the printing of four notes on each. About 14,000,000 sheets were, therefore, required in the past fiscal year. These are forwarded after count from the mill to the Treasury Department, where they are counted and from time to time delivered to the Bureau of Engraving and Printing, where the

From the time to time what denominations and amounts of notes he needs, and the Comptroller of the Currency does the same for the notes of national banks. The paper is then issued to the printers, who receipt for the number of sheets and the plates they are to use.

The Bureau of Engraving and Printing employed 60,000 men and women during the war.

This force is employed on the work of printing internal revenue stamps. It is estimated that the cost of printing notes and stamps is \$25 per 1,000 sheets, say two and one-half cents a sheet; for notes the expense is considerably above this, as stamps are printed on only one side. Probably notes cost from four to five cents a sheet, or about 100 per cent.

When the national bank notes are delivered to the Comptroller of the Currency, who turns them over to the banks for signature by the officers and issue. The Government notes when shipped to a Sub-Treasury are paid out in ex-

change for larger ones or for Government payments; and, when they have become defaced or worn they generally find their way into banks for destruction. The bulk of old notes are reserved for redemption.

"As might be inferred, the handling of such a large volume of money is circumscribed by a great many checks and safeguards. The notes when finished are packed and placed in a large vault and held 'in reserve,' each kind and denomination being stored separately. The vaults are locked and the keys are arranged according to the numbers of the notes. It is desirable that the notes be 'seasoned,' six

or eight weeks to permit the ink to dry thoroughly. Well-seasoned notes last longer under the same amount of wear and tear than those issued at once. Of course an accurate record is continually kept of the stock on hand. The daily deliveries by the Printing Bureau and the weekly sales to the Treasury are reported to the various representatives of the several offices interested. The Register of the Treasury, whose name appears on the notes, is as much interested as is the Treasurer to see that not more than the proper number of notes is issued; and the Secretary of the Treasury is equally interested to see that the

To illustrate this especially, the law provides that the Treasury must retire the \$100,000,000 of United States notes or greenbacks outstanding, so that the officers are permitted to issue daily only the exact amount which is cancelled and destroyed each day. Therefore the same officers must be satisfied as to the amount redeemed daily. When the Treasury's force of counters has concluded the redemption and destruction of the retired notes, these are cut in half longitudinally after cancellation, one-half going to the office of the Secretary, the other half to the office of the

Register, where the notes are recounted, then a proper certificate is made out by representatives of the several offices, and destruction follows and is again certified to. Notes are now destroyed by being macerated or ground into pulp and then cast into the sea.

Unlike the notes of the Bank of England, our notes which come back to the Treasury in a condition fit for further use are again issued. Thus it is estimated that the average life of notes is about three years. The ones and twos have shorter, but the hundreds, five hundreds, and one thousands much longer, lives.

The government issues a present three kinds of paper money: silver certificates, or greenbacks; silver certificates representing over dollars on deposit, and Treasury notes authorized by the law of 1890. No new issues are really made now; only reissues; substituting new for old notes, and small for large denominations, or vice versa. Gold certificates were issued up to April 15, 1893; since that date, under the law of July 12, 1882, none are issued, but the gold certificates already in circulation are now low one hundred millions, at which point the limit under the law was reached. These gold certificates represent gold actually on deposit and

payable on demand. There are now about \$93,000,000 of these outstanding.

"The limit of issue of United States notes, as before stated, is \$346,981,013; of silver certificates, \$100,000,000. As these notes are distributed, held in or brought to the Treasury, on June 30, 1894, there were outstanding \$347,148,504; and the Treasury notes were to that date limited to not more than \$152,844,417. We have thus a total Government paper circulation, including the gold certificate, of over \$602,000,000; besides these the national bank notes issued by banks under direction of the United States Treasury.

1's	\$68,520.10	50's	\$74,470.00
2's	14,172.00	100's	387,000.00
5's	4,134.87	* 100's	2,100.00
10's	29,565.00	* 100's	2,100.00
20's	12,011.75		
40's	854.67		\$143,268.00
100's	80,130.00		

\* of gold certificates only.

of the National Bank notes under \$5 have been issued since 1878. There have been issued, in all:

of United States notes.....	\$2,651,311,908 since 1864
of silver certificates.....	9,736,180,000 since 1874
of Treasury notes.....	235,012,137 since 1909
of national bank notes.....	1,831,932,755 since 1864
of gold certificates.....	1,371,054,300 since 1864

Aggregate to June 30, 1904, \$7,414,441,093

"The Treasury employs a large force, principally women, to count the notes issued and re-demanded, and some of these have become exceedingly expert in the detection of counterfeit-

The existence of a good counterfeit is usually followed by the adoption of a new design of series of notes. Thus there have been six series of notes and less notes.

"Each bank has its many relatives quite fairly as to mutilated paper money. If three-fifths or more of the note is presented, he will pay full value for it; on less than three-fifths, but clearly more than two-fifths, he pays one-half the face value; if a chance a portion of the note is totally destroyed by fire or otherwise, he will pay the full value, if, with the remnants, he can give a receipt, will send him an affidavit showing the facts and will pay him the full value."

sped character. Even if fire, which apparently destroyed the note entirely, there is still a chance for help, because the paper is so tough that if care is exercised the charred note can be maintained almost intact, and in such case the experts can readily distinguish the kind and denomination of the note. Of course, the existence of a destroyed note always is satisfactory, and, moreover, a remainder is usually identified to identify it as a note must be worthless.

"Finally, notes may be sent to the Treasurer for redemption by registered mail, at the owner's risk, but free of registry charge. Post-

masters are required to register free a letter enclosing such currency addressed to the Treasurer of the United States, Washington, D. C., when the usual postage is paid. Returns in such cases are also made by registered mail at the risk of the owner.<sup>10</sup>